

***United States Court of Appeals
for the Second Circuit***



APPENDIX

75-7269

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

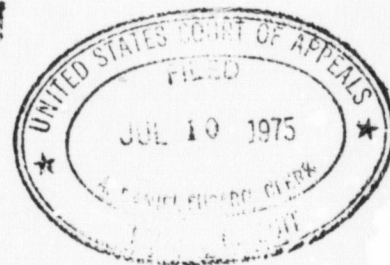
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CES Publishing Corp.,	:	Docket Nos.
	:	75-7269
Plaintiff-Appellant	:	75-7276
Cross-Appellee	:	
-against-	:	
St. Regis Publications, Inc.,	:	
	:	
Defendant-Appellee	:	
Cross-Appellant	:	

-----X

Appeal And Cross-Appeal From An Order
of the United States District Court
For the Southern District of New York
Denying Appellant's Motion for Pre-
liminary Injunction in Docket No.
75-7269 And Denying Cross-Appellant's
Motion to Dismiss the Complaint in
Docket No. 75-7276

JOINT APPENDIX



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PAGINATION AS IN ORIGINAL COPY

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DOCKET ENTRIES

A-1

75 Civ 218 CES PUBLISHING CORP. VS ST. REGIS PUBLICATIONS, INC. DUFFY, J.		
DATE	NR.	PROCEEDINGS
Jan16-75		Filed Complaint, Issued Summons.
01-30-75		Filed plttf's affdvt. of Richard Ekstract and notice of motion for an order for a preliminary injunction. Ret. 02-11-75
01-30-75		Filed plttf's memorandum of law in support of motion for preliminary injunction.
02-05-75		Filed deft's affdvt. of Patricia Hatry and notice of motion for an order to dismiss. Ret. 2-11-75.
02-05-75		Filed deft's memorandum of law in support of motion to dismiss.
02-18-75		Filed affdvt. of Richard Ekstract in opposition to motion to dismiss...
02-18-75		Filed plttf's memorandum of law in opposition to motion to dismiss...
02-18-75		Before DUFFY, J. hearing begun and concluded - on preliminary injunction and motion to dismiss. Judge's decision- reserved.
04-02-75		Filed defts' memorandum of law in opposition to motion for preliminary injunction.
04-01-75		Filed Opinion # 42152 and Order- for the reasons stated, the motion by plttf. for a preliminary injunction is denied. The motions by deft. are similarly denied since the record is not clear as to the open questions of proof. No costs are to be awarded to either party. It is so ordered- DUFFY, J. (m/n)
04-04-75		(Filed in Court 2-18-75) . Filed deft's affdvt. of Leon D. Solomon in opposition to motion for preliminary injunction.
04-28-75		Filed plttf's notice of appeal from Opinion-Order entered on 04-01-75. Copy to: Patricia Halfield c/o Davis, Gilbert, Levine & Schwartz.
05-01-75		Filed deft's cross notice of appeal from the Opinion & Order entered on 04-01-75. Copy mailed to: Botwin, Hays, Sklar & Herzberg. Entered- 5-2-75
5-12-75		Filed transcript of proceedings dated 2-18-75.
05-08-75		Filed notice that the record on appeal has been certified and transmitted to the USCA on 05-08-75.
05-30-75		Filed notice that the supplemental record on appeal has been certified and transmitted to the USCA this date.

COMPLAINT

A-2

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
CES PUBLISHING CORP.,

Plaintiff,

-against-

ST. REGIS PUBLICATIONS, INC.,

Defendant.
-----X

:
:
75 Civ.
(KTD)

:
:
COMPLAINT

Plaintiff, by its attorneys, Botein, Hays, Sklar & Herzberg, complaining of defendant, alleges:

1. Plaintiff, CES Publishing Corp. ("CES Publishing") is a corporation organized under the laws of the State of New York.

2. On information and belief, defendant, St. Regis Publications, Inc., is a corporation organized under the laws of the State of New York.

3. This action arises under 15 U.S.C. §§ 1114 and 1125(a), Section 368-d of the New York General Business Law, and the New York law of unfair competition. This Court has jurisdiction under 28 U.S.C. §§ 1331 and 1338 and 15 U.S.C. § 1121. The matter in controversy exceeds in value, exclusive of interests and costs, the sum of ten thousand dollars.

4. The trademark "Consumer Electronics" was registered by Television Digest, Inc. ("TV Digest") on July 25, 1967, in the United States Patent Office on the Supplemental Register, under Registration No. 832,747.

5. By agreement dated August 24, 1972, TV Digest licensed Audio Times, Inc. exclusively to use the trademark "Consumer Electronics" for a trade magazine to be entitled "Consumer Electronics Monthly". By assignment dated December 28, 1972, Audio Times, Inc. transferred all of its interest in that license to CES Publishing.

6. Since December, 1972, CES Publishing has published and distributed, and it now publishes and distributes, a monthly magazine entitled "Consumer Electronics Monthly". The magazine is a trade periodical directed primarily to dealers merchandising electronic products, such as television receivers, radios, phonographs, recorders, calculators and home security systems. It presents, among other things, feature and news articles concerning products, manufacturers, dealers and industry personalities.

7. The magazine, "Consumer Electronics Monthly", is distributed throughout the United States by subscription, free of charge, to manufacturers, distributors, and dealers in the electronics trade. Its average monthly circulation was more than 20,000 copies in 1973, and more than 25,000 copies in 1974.

8. The revenues CES Publishing received from advertising placed in the magazine, "Consumer Electronics Monthly" exceeded \$375,000 in 1973, and \$505,000 in 1974.

9. CES Publishing has in the past engaged and now engages in substantial advertising and promotion in which the magazine, "Consumer Electronics Monthly", is identified with the "Consumer Electronics" mark.

10. For many years, the term "Consumer Electronics" has been and continues to be used in the electronics trade to refer to the magazine, "Consumer Electronics Monthly".

11. The trademark "Consumer Electronics" and the goodwill appurtenant thereto are valuable business assets of CES Publishing.

12. During the latter half of 1974, defendant announced that it intended to commence publication of a new magazine early in 1975 under the title "Consumer Electronics Product News". Defendant has engaged and continues to engage in the dissemination throughout the electronics trade of promotional materials soliciting subscriptions and advertising for the proposed new magazine under that title.

13. Defendant's acts, as alleged in paragraph 12, have resulted in actual confusion, in that telephone and mail inquiries from advertising representatives have been directed to CES Publishing in the mistaken belief that it is about to publish the proposed new magazine.

14. By letter of December 9, 1974, plaintiffs attorneys advised defendant that use of the words "Consumer Electronics" in connection with or as part of the title of its proposed new magazine violated the trademark rights of CES Publishing and constituted unfair competition against CES Publishing. Plaintiffs further advised defendant that if it persisted in use of those words, plaintiff would seek protection with respect thereto.

15. The title "Consumer Electronics Product News" for defendant's proposed new magazine will constitute a colorable imitation of the trademark "Consumer Electronics".

16. The promotion of defendant's proposed magazine under the title "Consumer Electronics Product News" and the publication and distribution of the magazine under that title (a) has confused and deceived and, unless enjoined, is likely hereafter to confuse or deceive a substantial portion of the

trade into believing that it is created by, derives from, is connected with, or is approved by CES Publishing; (b) falsely designates and, unless enjoined, will continue falsely to designate CES Publishing as the source of that magazine; (c) unfairly competes with and, unless enjoined, will continue unfairly to compete with CES Publishing by passing off that magazine as a publication of CES Publishing and by appropriating the "Consumer Electronics" trademark and the goodwill appurtenant thereto for defendant's use; (d) infringes and, unless enjoined, will continue to infringe the "Consumer Electronics" trademark; and (e) dilutes, and unless enjoined, will continue to dilute the "Consumer Electronics" trademark.

17. By reason of the foregoing, CES Publishing has been and, unless defendant is enjoined, will continue to be irreparably injured.

18. CES Publishing has no adequate remedy at law.

WHEREFORE, plaintiff prays for:

1. Preliminary and permanent injunctions enjoining defendant, its officers, agents, servants, employees, attorneys, and all other persons acting in concert or participation with it or in its behalf, from in any manner, directly or indirectly,

(a) using the words "Consumer Electronics" or any other colorable imitation or variation thereof in or in connection with any periodical; or series of periodicals; or advertisement, promotion, announcement, manufacture, distribution, offer, or sale thereof, and

(b) causing any of the foregoing acts to occur in whole or in part.

2. Judgment awarding damages to plaintiff against defendant, in such amounts as may be determined on the trial of this action.

3. Judgment directing defendant to account to and pay over to plaintiff all profits which defendant has earned from the promotion of its proposed new magazine under the title "Consumer Electronics Product News".

4. Judgment for plaintiff and against defendant for the costs and disbursements of this action.

5. Such other and further relief which this Court may deem just and proper.

BOTEIN, HAYS, SKLAR & HERZBERG

By *s/ Harry I. Rand*
A Member of the Firm
Attorneys for Plaintiff
200 Park Avenue
New York, New York 10017
Tel. No. (212) 867-5500

Dated: January 14, 1975

MOTION FOR
PRELIMINARY INJUNCTION

A-7

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- x
CES PUBLISHING CORP., :

Plaintiff, :

75 Civ. 218
(K.T.D.)

-against- :

ST. REGIS PUBLICATIONS, INC., :

Defendant. :

NOTICE OF MOTION FOR A
PRELIMINARY INJUNCTION
----- x

PLEASE TAKE NOTICE that upon the complaint herein, and upon the annexed affidavit of Richard EkstraRt, sworn to January 22, 1975, plaintiff, by the undersigned attorneys, will move this Court before the Honorable Kevin T. Duffy, United States District Judge, in Room 1306 at the United States Courthouse, Foley Square, New York, New York, on ~~FEBRUARY 11~~ ^{2:15 P.M.}, 1975, at ~~9:30 A.M.~~, or as soon thereafter as counsel can be heard for an order, pursuant to Rule 65(a) of the Federal Rules of Civil Procedure, preliminarily enjoining defendant, its officers, agents, servants, employees, attorneys, and all other persons acting in concert or participation with it or in its behalf, pending the final hearing and determination of this action, from in any manner, directly or indirectly,

(i) using the words "Consumer Electronics" or any other colorable imitation or variation thereof in or in connection with any periodical; or a series of periodicals; or any advertisement, promotion, announcement, manufacture, distribution, offer, or sale thereof, and

MOTION FOR
PRELIMINARY INJUNCTION

A-8

(ii) causing any of the foregoing acts to occur in whole or in part.

PLEASE TAKE FURTHER NOTICE that, pursuant to General Rule 9(c)(2) of this Court, any opposing affidavits and answering memoranda of law must be served at least 3 days before the return date hereof.

Dated: New York, New York
January 29, 1975

Yours, etc.

BOTEIN, HAYS, SKLAR & HERZBERG

By: *Richard J. Goldberg*
A Member of the Firm
Attorneys for Plaintiffs
Office & P.O. Address
200 Park Avenue
New York, New York 10017
Tel. No. (212) 867-5500

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- x
CES PUBLISHING CORP., :
Plaintiff, : 75 Civ. 218
 : (K.T.D.)
-against- : AFFIDAVIT IN SUPPORT
 : OF MOTION FOR
ST. REGIS PUBLICATIONS, INC., : PRELIMINARY INJUNCTION
Defendant. :
----- x

STATE OF NEW YORK)
 :SS.:
COUNTY OF NEW YORK)

RICHARD EKSTRACT, being duly sworn, deposes and says:

1. I am president and sole stockholder of plaintiff, CES Publishing Corp., which publishes Consumer Electronics Monthly, a trade magazine addressed to dealers merchandising electronic products for personal and home use. I make this affidavit on personal knowledge in support of plaintiff's motion for a preliminary injunction to restrain defendant from commencing publication and distribution of a new monthly trade magazine, addressed to the same audience as ours and under the title Consumer Electronics Product News. Actual confusion in the trade as to the new magazine's origin has already been created by defendant's dissemination of pre-publication promotional materials for its new magazine, and unless defendant is promptly enjoined, there will undoubtedly be further confusion.

2. There is no question that reader and advertiser confusion over the source of the new magazine will increase should defendant begin to distribute its new magazine under the

Consumer Electronics Product News title. Advertisers seeking to insert ads in the first issue of defendant's projected new magazine have already exhibited confusion as to the identity of its publisher. On the apparent assumption that the new magazine is to be published by plaintiff, advertisers have directed numerous telephone inquiries and much mail concerning it to our offices. Their assumption is quite understandable. Until now, our publication, Consumer Electronics Monthly, has been the only magazine in the trade devoted to the whole range of electronics items for personal and home use. The trade and we ourselves have come commonly to use the term "Consumer Electronics" to signify our magazine. It is reasonable therefore to assume that a new publication, likewise designated a "Consumer Electronics" trade journal, emanates from the same source.

3. We have no objection to competition as long as it is fair. Publication of a new monthly trade magazine directed to the same readership which we have successfully cultivated for two years, treating the same subjects we deal with, probably to be printed on the same size and type of paper, and using our name, "Consumer Electronics", as the prominent and lead half of its title, would however be patently unfair, would lead to confusion among our readers and advertisers, and would gravely injure our business.

Plaintiff's Magazine,
Consumer Electronics Monthly

4. Plaintiff's Consumer Electronics Monthly is a trade magazine directed primarily to dealers in electronic products for personal and home use, such as televisions, radios, phonographs, recorders, calculators, home security systems, and other related

products. The magazine presents, among other things, feature and news articles concerning products, manufacturers, dealers, industry personalities and events, sales methods, and research developments. Copies of the three most recent issues are included in the Exhibit Folder accompanying this affidavit as Exhibit A. These issues are typical of plaintiff's monthly.

5. Plaintiff has published this magazine since December, 1972. It is distributed throughout the United States by subscription, free-of-charge, to manufacturers, distributors and dealers in the electronic products trade. Its average audited monthly circulation was more than 20,000 copies in 1973 and more than 25,000 in 1974; I am certain that by mid-1975 the average monthly circulation will reach 30,000. Copies of the audited circulation reports for the year ended June 30, 1974, the most recently audited year, are included in our Exhibit Folder as Exhibit B.

6. The magazine is supported by advertising revenues. Those revenues exceeded \$375,000 in 1973 and were more than \$505,000 in 1974.

The "Consumer Electronics" Trademark

7. The significant portion of our magazine's title, "Consumer Electronics", was registered on the Supplemental Register of the United States Patent office, under Registration No. 832747, on July 25, 1967 by Television Digest, Inc. ("Television Digest"). A copy of the Certificate of Registration is included in our Exhibit Folder as Exhibit C.

8. Television Digest licensed the exclusive use of the mark to Audio Times, Inc. for a trade magazine to be entitled Consumer Electronics Monthly, under an agreement dated August 24, 1972. (Audio Times, Inc., like plaintiff, is a corporation which I wholly own.) By assignment dated December 28, 1972, Audio Times, Inc. transferred all of its interest in that license to plaintiff. The license agreement and the assignment are included in our Exhibit Folder as Exhibit D.

9. Plaintiff has always emphasized the term "Consumer Electronics" in the magazine's title. The magazine's cover bears those words in large block type; the word "Monthly" is printed in small type sideways along the right margin. Within the magazine's pages, the initial letters of "Consumer Electronics" are invariably capitalized while "monthly" is in lower case.

10. Plaintiff has made substantial expenditures for advertisement and promotion of Consumer Electronics Monthly. In all such advertising and promotion, the "Consumer Electronics" mark is prominently featured. So far, in two and a half years, we have spent over \$125,000 for that purpose; we shall doubtless spend more than \$50,000 this year. Copies of such advertising and promotional materials are included in our Exhibit Folder as Exhibit E.

11. As a result of plaintiff's success with the magazine, the term "Consumer Electronics" has come commonly to be used to identify plaintiff and its magazine. It is commonly understood in the trade to signify plaintiff and the magazine. For instance, letters to the magazine commonly refer to it simply as "Consumer Electronics" (e.g., November, 1974 issue, p. 6; December, 1974

issue, p. 6). In discussions which I have had with advertisers, dealers, manufacturers, representatives and others at our offices, trade shows, factories, retail stores, and elsewhere, persons in the electronic products trade almost invariably refer to the magazine simply as "Consumer Electronics". We ourselves refer to the magazine by that term (e.g., all issues, bottom right-hand corner of left pages; November, 1974 issue, pp. 29, 53; December, 1974 issue, pp. 10, 67, 80; January, 1975 issue, pp. 10, 29, 97). The mark "Consumer Electronics" thus constitutes one of our most valuable business assets.

Defendant's Projected Magazine,
Consumer Electronics Product News

12. In August, 1974, defendant announced that it intended to commence publication and distribution of a new monthly trade magazine in January, 1975, under the title Consumer Electronics Product News. Defendant then engaged and continues to engage in disseminating in the trade promotional materials soliciting subscriptions and advertisements for the new magazine. Copies of some of defendant's promotional materials are included in our Exhibit Folder as Exhibit F. It is evident from these that the new magazine will deal with the very same subjects as are treated in plaintiff's magazine and will be directed to the very same audience as plaintiff's magazine. It is obvious that defendant's new magazine will cover the same ground as our magazine and in the same manner.

Actual Confusion Already Endangered

13. It has already become clear that publication and distribution of defendant's new magazine under the title Consumer

Electronics Product News will cause confusion in the trade as to the identity of the publisher. Numerous instances of actual confusion have already occurred. Many telephone and mail inquiries from advertising representatives have been directed to plaintiff in the mistaken belief that it, not defendant, is about to publish the new magazine. Thus, we have received misdirected mail, some of which contains mock-ups for advertising to be inserted in the new magazine. Copies of some address labels and a letter listing Consumer Electronics Product News as the addressee at our office address, are included as Exhibit G in our Exhibit Folder.

14. The following incidents of confusion are typical of those which have already occurred:

(i) In a letter dated November 5, 1974, an advertising agency, Campeau, Lipman & Assoc., requested us to insert an advertisement for a client in Consumer Electronics Product News; in that same letter, they included an advertisement for the same client to be inserted in Consumer Electronics Monthly.

(ii) On December 3, 1974, Nathanson Advertising called our office for general information concerning Consumer Electronics Product News.

(iii) On the same day, our office received an envelope containing a mock-up of an advertisement from the Albert Frank-Guenther Law Advertising addressed to Consumer Electronics Product News.

(iv) On December 10th, our office received an envelope containing a mock-up of an advertisement from the Frik & Frak advertising agency addressed to Consumer Electronics Product News.

(v) On December 19th, plaintiff received a letter from Empire Scientific Corp. addressed to Bob Schneider of Consumer Electronics Product News.

(vi) On January 15, 1975, Dick Boke of Magnavox telephoned our office looking for Bob Schneider (an individual associated with defendant).

Plaintiff's Demand on Defendant to Change
the Projected Title of Its New Magazine

15. When I learned of defendant's plans, I conferred with my attorneys, Messrs. Botein, Hays, Sklar & Herzberg. By letter of December 9, 1974, my attorneys advised defendant that its use of the term "Consumer Electronics" in connection with its proposed new publication had already misled some advertisers' representatives into believing that the new magazine was one which plaintiff was intending to publish or sponsor, that use of that term in the title would make reader confusion inevitable, and that continued use of those words by defendant would violate plaintiff's trademark rights and be unfairly competitive. My attorneys further advised defendant that if it persisted in using the term "Consumer Electronics", plaintiff would seek protection against such trademark misuse. Defendant's only response was through a letter of its attorneys, Messrs. Davis, Gilbert, Levine & Schwartz, dated December 16, 1974, in which we were told that the words "Consumer Electronics" are "merely descriptive and hence not capable of exclusive appropriation by any one company". Copies of that exchange of correspondence are included in our Exhibit Folder as Exhibit H.

Balance of Hardships
Between the Parties

16. Plaintiff's magazine is directed to a specialized audience. Defendant's proposed magazine will be directed to the

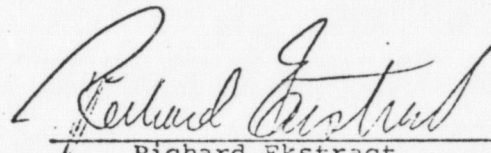
same audience. The publication and distribution of defendant's magazine under the title Consumer Electronics Product News unquestionably will result in a loss of advertising sales to plaintiff, and most if not all of that loss will be caused solely because of advertisers' mistaken assumption that their ads are being placed in a new publication of plaintiff. Moreover, identification of Consumer Electronics Product News with plaintiff will dilute the worth of plaintiff's marks and seriously impair the value of the goodwill appurtenant to them, especially in view of the fact that, as a new venture, the quality of defendant's magazine will almost surely be inferior to our established journal. The value of plaintiff's marks is evident from its revenues; in its first year of operation, it grossed \$375,000, and in 1974 its gross earnings exceeded the half million dollar mark. In the narrow arena in which plaintiff operates, such revenues and revenue growth spell predominance of plaintiff's publication as the trade organ relied upon by specialists in the field of electronic products for personal and home use.

17. In contrast, defendant's new magazine is only in the promotional stage. Based on my experience in magazine publishing, it is my opinion that it is most unlikely that defendant's new venture has elicited more than an insubstantial amount of advertising revenue and certainly no profits or following. Consequently, defendant would suffer little, if any, hardship were it now precluded from using the term "Consumer Electronics" in the title of its new magazine.

18. Moreover, since defendant has not yet published the first issue of its projected magazine, a brief delay would clearly

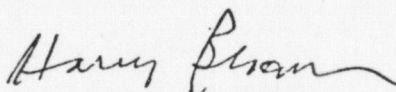
not cause it any measurable injury. Our attorneys advise me that if a preliminary injunction were granted and the trial of this action expedited (or if the hearing on this motion and the trial on the merits were consolidated under the Federal Rule of Civil Procedure 65(a)(2)), the legal issues in this action could be determined within a short period of time.

19. Certainly, our request that defendant change the title of its new magazine comes as no surprise to it. It was asked to forego use of the term "Consumer Electronics" more than a month ago. When one contrasts the enormity of the financial harm which plaintiff is likely to suffer if defendant is not enjoined with defendant's modest costs to date if it were compelled to change the new magazine's projected title, the greater equity of plaintiff's position is, I respectfully submit, incontestable.


Richard Ekstract

Sworn to before me this

27 day of January, 1975.



Notary Public

Notary Public, State of New York
No. 31-052020
Qualified in New York County
Expiration Sep 11, 1978

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
CES PUBLISHING CORP., : 75 Civ. 218
 : (K.T.D.)
Plaintiff, :
- against - : AFFIDAVIT IN OPPOSIT-
 : TION TO MOTION FOR
ST. REGIS PUBLICATIONS, INC., : PRELIMINARY
 : INJUNCTION
Defendant. :
-----X

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

LEON D. SOLOMON being duly sworn, deposes and says:

I am President of St. Regis Publications, Inc., a New York corporation duly organized June 3, 1955 (hereinafter referred to as "St. Regis"). The background of the instant litigation is not provided in plaintiff's papers, but I believe this of importance to a full understanding of the matters before the Court. Therefore I will endeavor to trace the relevant prior facts and proceedings.

St. Regis has published various trade publications throughout the past twenty years. "High Fidelity Trade News" which St. Regis first published in January, 1957, provides coverage of one branch of the consumer electronics industry, specifically the audio, high fidelity field. For many years our "High Fidelity Trade News" has co-existed with "High Fidelity", formerly a Billboard Publication and now published by American Broadcasting Companies, Inc. Additionally, St. Regis publishes "CES Trade News Daily", "Consumer Electronics Product News" and "Sound Industry Directory".

In June of 1971 St. Regis undertook to produce a consumer electronics trade paper to provide daily coverage of the Consumer Electronics Show. At that time there was only one publication which provided any coverage for the important industry event, which was and is known as the "Consumer Electronics Show" or alternately by its initials "CES".

The lone publication, "Consumer Electronics Show Daily", boasted a license from Television Digest, Inc. which had gained a trademark registration for the words "Consumer Electronics". By virtue of this registration, competition was successfully held at bay. We saw the need, and the business opportunity, for an additional publication covering the "CES" which is held twice annually and which commands the attendance of virtually the entire consumer electronics industry. Initially we titled our publication "Trade News Daily". However, under this title we found that we were unable to identify our publication with the Consumer Electronics Show. On the other hand plaintiff's publication was clearly so identified and appeared to be the official industry publication.

Uncertain our selves as to whether "Consumer Electronics Show Daily" was the official journal of the industry show or not, we investigated and were advised by the non-profit Consumer Electronics Group that sponsors the industry show that there was no business connection. We also learned through out counsel ~~that the~~ much vaunted trademark registration was only on the Supplemental Register reserved for non-distinctive trademarks. By hard experience we had found that use of the words "consumer electronics" were essential to any publication were it to be able to compete

for the Consumer Electronics Show coverage. Thus after the June 1973 CES we changed our title to "CES Trade News Daily". Our aim was identification with the industry show, not confusion with any existing publication, and our daily was visably different from that of our precursor (See Exhibits D and G to Motion to Dismiss).

No sooner had our change of name been effectuated than we were met with a barrage of promotional matter wherein we were accused of masquerading under false colors. Such items as the following were widely circulated to the industry by the publisher of "Consumer Electronics Show Daily":

"ITEM: NOVEMBER, 1973 - ANOTHER PUBLICATION ATTEMPTS TO MASQUERADE AS CES-IHE SHOW DAILY. FACT: CONSUMER ELECTRONICS AND CONSUMER ELECTRONICS SHOW DAILY ARE REGISTERED TRADEMARKS. IHE SHOW DAILY WAS FOUNDED BY CES PUBLISHING CO. THERE IS ONLY ONE CES-IHE SHOW DAILY. IT'S PUBLISHED BY TRADEMARK LICENSEE CES PUBLISHING CO." ("CES-IHE SHOWGRAM" annexed as Exhibit 1 hereto)

By clever juxtaposition of the fact of a registered trademark with claim of exclusivity, the competition fostered the impression that it had an official tie-in with the Consumer Electronics Show and, further, that St. Regis was a rank imposter. At the first page of an issue of its publication it referred to its employment of "on an exclusive basis the official show photographer Stan Einzig". Then plaintiff editorialized:

"Why is there only one Consumer Electronics Show Daily? Because Consumer Electronics is a registered trademark owned by the respected newsletter publishing firm Television Digest. Only the Consumer Electronics Show Daily can use this name."

Further at its own front page, plaintiff's publisher is referred to as "a veteran of 15 years of consumer electronics trade journalism." (Exh. 2 hereto)

In other materials to consumer electronics advertisers plaintiff repeatedly emphasized the registration of the trademark and urged "Don't be ripped off or misled by imitators" (Exh. 3 hereto) or "sound alike copy cats masquerading as the real thing." (Exh. 4 hereto).

Then plaintiff turned around and commenced the use of the initials "CES" for its show daily. In promotional materials it began to make reference to itself as "CES Daily". At the CES plaintiff hired models to promote its publication under the "CES Daily" title (see Exh. 5 photograph of model in attendance at the Consumer Electronics Show), and in the publishing industry directory of periodicals, its listing which previously had been maintained only as "Consumer Electronics Show Daily" became "CES Daily" as well as the title used only heretofore, "Consumer Electronics Show Daily". Copy of the 1974 issue of Standard Rate & Data containing this first time listing of plaintiff as "CES Daily" is appended as Exhibit 6. Whether plaintiff's attempted identification of its publication with the "CES" initials was inspired by an interest in achieving confusion or appropriating the initials along with the words, is not clear.

It is important to note that some initial confusion did occur as the result of the Consumer Electronics Show coverage by two publications each so stating in their titles. This became manifest in that several communications intended for "Consumer Electronics Show Daily" were sent to our company -- which is the opposite of the confusion adduced by plaintiff in support of its motion i.e., the mailing to plaintiff of communications intended for us. In any event, the industry which plaintiff claims identifies it with the words "consumer electronics" showed no association of the words "consumer electronics" with plaintiff, despite plaintiff's

attempts to usurp the entire field. St. Regis was no stranger to the consumer electronics industry, having for many years prior to plaintiff's entry into the field, achieved identification through its widely recognized and high quality "High Fidelity Trade News".

It is a fact of the publishing business, where descriptive titles are often used and hence closely resemble the descriptive titles of other publications, that occasional confusion does occur. "High Fidelity Trade News" receives materials and inquiries intended for "High Fidelity" magazine, and vice versa. These situations are readily and simply corrected by the referring on to the proper party of the particular communication. Similarly titled trade publications, to name but a few, are:

Beverage Industry
Beverage Industry News

Building Supply Dealer
Building Supply News

Clinical Laboratory Digest
Clinical Laboratory Guide
Clinical Laboratory Products

Construction Equipment
Construction Equipment Distribution
Construction Methods and Equipment

Data Communications Systems
Data Communications User

Dental Laboratory News
Dental Laboratory Review

Electrical Contractor
Electrical Contractor and Maintenance Supervisor

Electronic Component News
Electronic News

Home Furnishing Daily
Home Furnishing Market Digest

Metalworking Digest
Metalworking News

Pest Control
Pest Control Technology

Plant Engineering
Plant Management Engineering

Warehouse Distribution
Warehouse Distributor News

Even in non-trade publications, descriptive titles, closely resembling one another abound, as, for example, "New York" and "New Yorker" and "Ski", "Skier", "Skiing", "Skisport" and "Ski Racing".

We received no objection from Television Digest, Inc., the trademark owner, with respect to our adoption and use of the title "CES Trade News Daily". In the January 29, 1974 issue of the Patent Office Gazette, Television Digest, Inc. published for opposition purposes its application to register "Consumer Electronics" on the Principal Register based on the claim of exclusive and continuous use in interstate commerce. As shown by the exhibits attached to defendant's motion to dismiss, other publications had been using the words "consumer electronics" in their titles, viz. "Consumer Electronics Annual Review", published by the Consumer Electronics Group (Exh. A, Motion to Dismiss, 1973 edition Exh. 7 hereto), "Consumer Electronics News", Fairchild Publications, Inc. (Exh. F, Motion to Dismiss), "CES Trade News Daily" (Exh. G, Motion to Dismiss), "Safety Tips for Maximum Liability and Performance From Your New Consumer Electronics Product" and such other uses of Consumer Electronics as section headings (Exh. J, Motion to Dismiss and Exhs. 5 and 9 hereto).

Moreover, many companies had adopted "Consumer Electronics" for the names of their companies or for consumer

electronics divisions, including: RCA Corporation Consumer Electronics Division, Philco Ford Corporation Consumer Electronics Division, Consumer Electronics Service Company, Consumer Electronics, Consumer Electronics Inc., Magnavox Consumer Electronics Company, C. Itoh & Co. (America) Inc. Consumer Electronics Division, Sanyo Electric, Inc., Consumer Electronics Division, Panasonic Consumer Electronics Group, Eastern Air Services Consumer Electronics Group; while other companies in the field refer to their "consumer electronics line". Example of the foregoing are attached as Exhibit 10.

The consumer electronics industry, itself an industry amounting to many billion dollars a year, in a branch of the electronics industry which includes industrial as well as consumer electronics products. Thus the Electronics Industry Association has a Consumer Electronics Division which under the name of the Consumer Electronics Group puts out a number of consumer electronics publications. The generic nature of "consumer electronics" is further manifested in advertisements, personnel listings, news articles and other articles written about the industry, as for example Exhibit 11 annexed hereto. Unquestionably, "Consumer Electronics" now has become the accepted name for an industry which, in its 53-year history, has outgrown several other names." (Exh. 7, at p. 8).

St. Regis has not only opposed the application of Television Digest, Inc. to register on the Principal Register "Consumer Electronics" for a section of a trade paper but it has also petitioned to cancel the "Consumer Electronics" registration previously obtained by Television Digest, Inc.

on the Supplemental Register. Considerable discovery has been had in the Patent Office proceedings and lengthy testimony has been given by St. Regis in the opposition proceeding against Television Digest, Inc.

After the Consumer Electronics Show in June 1974, St. Regis decided to publish a magazine covering consumer electronics products. The descriptive title "Consumer Electronics Product News" was selected in order to immediately advise the trade as to the subject matter of the publication. Here again plaintiff enjoyed a virtual monopoly position through its "Consumer Electronics" magazine.

Plaintiff in its moving affidavit (page 5, para. 12) admits that it had knowledge in August 1974 that St. Regis was preparing to publish and distribute in January 1975 a new monthly trade magazine under the title "Consumer Electronics Product News" and admits further that St. Regis publicly announced at least in August of 1974 that it was proceeding with this magazine. Yet, for the next six months, plaintiff sat by while St. Regis heavily publicized its new publication and, in order to gain advertising and circulation, spent over \$80,000 in pre-publication costs. Attached hereto as Exhibits 12 through 18 are copies of brochures which St. Regis circulated throughout the industry during this time.

Despite its foreknowledge of our publication to be distributed January 1975 under the title "Consumer Electronics Product News", plaintiff inexplicably waited until on or about January 14, 1975 to commence this litigation and until January 29, 1975 to serve its motion for preliminary injunction. Of course, by this time, not only had we spent considerable money promoting our new publication, but our first issue had already gone to press and been distributed.

The differences between the two publications "Consumers Electronics" and "Consumers Electronics Product News" are readily discerned. The latter focuses on consumer electronics products, both in its title and its content. Plaintiff's publication is primarily oriented toward news of the consumers electronics industry. The words "Product News", are emphasized on the title page, the editorial page and throughout our promotional materials. At Exhibits 12 through 18, and the additional Exhibit 19 hereto the emphasis we have placed on "Product News" is evident.

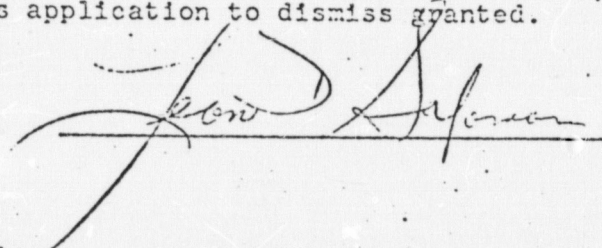
To a sophisticated trade there should be no confusion between the two quite different magazines emanating from different publishers. An occasional missent communication, particularly at the inception of a new publication, until the identity of the separate publishers is clarified and separate names and addresses provided to clerical employees, does not establish actual confusion in the marketplace.

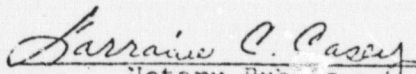
Plaintiff for its part has lost no time in proceeding to charge the same "masquerade" deception. For example, plaintiff sent the trade a release headed "CONSUMER ELECTRONICS", subtitled "CONSUMER ELECTRONICS MASK" and accompanied by a black sinister looking mask. Albeit our name is not mentioned, the text accuses us of unfair and deceptive activity (copy annexed as Exhibit 20).

St. Regis has not engaged in any unfair competition. It has merely used generic words, which should be freely available to all in the industry, to describe a publication which otherwise differs substantially from that of plaintiff. On the other hand plaintiff, which is not the trademark

owner, seeks to exclusively appropriate the necessary and only apt industry words so as to perpetuate a monopoly. By a variety of tactics, which St. Regis intends to explore in this litigation, plaintiff has "persuaded" others to cease use of "consumer electronics" and has sought to monopolize the vast consumer electronics publications field. That this plaintiff knows the generic nature of "consumer electronics" is evident from its own usage of this term (See for example Exhibit 2, page 3 of this affidavit, last two lines, and Exhibit 20 hereto).

WHEREFORE it is respectfully submitted that plaintiff's application for a preliminary injunction be denied and defendant's application to dismiss granted.


Sworn to before me this
14th day of February, 1975.


Notary Public

LORRAINE C. CASEY
Notary Public, State of New York
No. 03 5642135
Qualified in Bronx County
Cert. Filed in New York County
Term Expires March 30, 1976

MOTION TO DISMISS
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

A-28

-----X
CES PUBLISHING CORP., : 75 Civ. 218
Plaintiff, : (K.T.D.)
- against - :
ST. REGIS PUBLICATIONS, INC., : NOTICE OF MOTION
Defendant. :
-----X

SIRS:

PLEASE TAKE NOTICE that upon the pleadings herein and the annexed affidavit of Patricia Hatry sworn to on the 31st day of January, 1975 the defendant, St. Regis Publications, Inc. will move this court before the Honorable Kevin T. Duffy, at the United States Courthouse, Room 1306, Foley Square in the City, State and County of New York on the 11th day of February, 1975 at 2:15 o'clock in the afternoon, or as soon thereafter as counsel can be heard, for an order pursuant to Rule 12 (b) (7) dismissing this action for failure to join a party under Rule 19 of the Federal Rules of Civil Procedure, and pursuant to Rule 12 (b) (6) by reason of the failure to state a claim upon which relief can be granted since the involved words "Consumer Electronics" are as a matter of law so descriptive, generic and necessary for use to describe a consumer electronics trade paper or magazine that secondary meaning can never be acquired, and further that proceedings are pending before the United States Patent and Trademark Office to cancel the registration for "Consumer Electronics" secured by Television Digest, Inc. on the Supplemental Register; and for such other and further relief as to the Court may seem just and proper.

(11)

PLEASE TAKE FURTHER NOTICE that, pursuant to General Rule 9(c) (2) of this Court, any opposing affidavits and answering memoranda of law must be served at least 3 days before the return date hercof.

Dated: New York, New York
January 31, 1975

Yours, etc.

DAVIS, GILBERT, LEVINE & SCHWARTZ

By Robert L. Davis

A Member of the Firm
Attorneys for Defendant
Office & P.O. Address
500 Fifth Avenue
New York, New York 10036
Tel. No. (212)564-3530

HATRY AFFIDAVIT

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
CES PUBLISHING CORP., : 75 Civ. 218
Plaintiff, : (K.T.D.)
- against - :
ST. REGIS PUBLICATIONS, INC., : AFFIDAVIT IN SUPPORT
Defendant. : OF MOTION TO DISMISS
-----x

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

PATRICIA HATRY, being duly sworn, deposes and
says:

1. I am a member of the law firm of Davis, Gilbert, Levine & Schwartz, attorneys for St. Regis Publications, Inc. I respectfully submit this affidavit based on my knowledge of the facts and proceedings involved in this litigation and of the facts of pending prior proceedings in the United States Patent and Trademark Office to cancel the involved registration of Television Digest, Inc. I have specialized in the practice of trademark law for over twenty years.

2. The complaint contains a single cause of action under the Trademark Act of 1946 (often referred to as The Lanham Act), 15 USC 1051 et seq., New York law of unfair competition and the anti-dilution provision of the New York

General Business Law, Section 368-d.

3. Jurisdiction of this Court is allegedly predicated upon the Trademark Act of the United States and the principle of pendent jurisdiction.

4. The words "Consumer Electronics" pleaded as the basis for the claimed rights of plaintiff, are the subject of a Supplemental Patent Office registration for a "department of a trade news letter." The registration, Number 832,747, which issued on the Supplemental Register and which provides for marks that lack the distinctiveness and the other requisites of marks registrable on the Principal Register is owned not by plaintiff but by Television Digest, Inc.

5. At paragraph 5 of the complaint, plaintiff CES Publishing Corp. asserts trademark rights by virtue of an alleged assignment from Audio Times, Inc. of an alleged license agreement running from Television Digest, Inc. to Audio Times, Inc. The documents of purported title are not attached to the complaint.

6. The license agreement from Television Digest, Inc. to Audio Times, Inc. is however annexed as Exhibit D to plaintiff's motion for preliminary injunction. In a license agreement dated August 24, 1972, Television Digest, Inc., (owner of a Certificate of Registration for "Consumer Electronics" on the Supplemental Register with coverage limited to the "department of a trade news letter") purports to grant to Audio Times, Inc. an "exclusive right" to use "Consumer Electronics" in connection with a monthly magazine. (§ 1. (a)).

7. In the License Agreement at paragraph 1. (b) Television Digest, Inc., the Licensor, reserves the right itself to use and to license the use to others of "Consumer Electronics" and "Consumer Electronics Show Daily" pursuant to paragraphs 14. (a) and (b). These latter paragraphs provide that Television Digest, Inc. may publish at any time a newsletter also under the name "Consumer Electronics" and may use or license the use of "Consumer Electronics Show Daily", at any time to any person, firm, corporation or entity, the identical title licensed to Audio Times, Inc. for its paper covering the "Consumer Electronics Show." The only limitation on such further license of the identical title is that it not be used or licensed for use in connection with a publication covering the central industry event known as the "Consumer Electronics Show". Thus, these paragraphs provide for use of the identical title by more than one publisher. Moreover, at paragraph 14. (a) it is expressly agreed between Audio Times, Inc. and Television Digest, Inc. "that 'Consumer Electronics' is and shall continue to be the exclusive property of the licensor as a trademark throughout the term of this agreement and thereafter"

8. The limited license granted Audio Times, Inc. is restricted to a three-year term (\$2) renewable for two additional two year terms provided that certain license fees are paid (\$10).

9. The license agreement does not authorize licensee to maintain an action against infringers. Nor does it authorize the sublicensing or assignment by

HATRY AFFIDAVIT

licensee of its rights under the agreement.

10. Licensee Audio Times, Inc. is required at all times to print, on the front page or other prominent position of each issue of the magazine, a legend showing that "Consumer Electronics is a trademark of Television Digest, Inc. Published by Audio Times, Inc. with permission of Television Digest, Inc." (§ 13). It is thus expressly provided that the goodwill in the alleged mark "Consumer Electronics" at all times remain that of Television Digest, Inc. Although termed an exclusive license, its own language negates such terminology and establishes the direct contrary, the non-exclusiveness of the license and the preservation of all property rights in licensor.

11. The last page of Exhibit D attached to plaintiff's motion for preliminary injunction is a Blumberg form of general assignment from Audio Times, Inc. to CES Publishing Corp. of "all its right, title and interest in and to certain agreement dated December 27th, 1972 and August 24th, 1972 between AUDIO TIMES, INC. and TELEVISION DIGEST, INC." There is no attached consent by Television Digest, Inc. to this assignment, nor does the license agreement attached at Exhibit D contain any provision granting licensee the right to assign.

12. The publication "Consumer Electronics Show Daily" continues to state prominently at page 3 thereof:

"Consumer Electronics Show Daily is a trademark of Television Digest, Inc. Published by Audio Times, Inc. with permission of Television Digest, Inc."

Despite the purported assignment of all right, title and interest, Audio Times, Inc. has continued to publish "Consumer Electronics Show Daily". If Audio Times, Inc. is no longer an authorized licensee, as shown by the documents appended as Exhibit D to the preliminary injunction papers, its continued usage for over two years subsequent to the assignment would alone destroy any trademark rights which the licensor might otherwise have established.

13. The essential quality assurance function of the putative mark is further shown to be lacking under the license covering the use of "Consumer Electronics" for a monthly publication. No provision is made whatever for Television Digest, Inc. to review, approve or put in any way its imprimatur on this publication. The only provision making any reference to quality is 7(c) which affords the licensor the option to cancel the license agreement upon a decline in the journalistic standards of the magazine which are "expected" to be "the highest professional journalistic standards." Of course this vague phraseology does not assure the consumer electronics trade that this particular publication will have the same nature, quality or characteristics of other publications of or licensed by Television Digest, Inc. Further, Television Digest, Inc. does not have the right to impose its standards upon the licensee. Rather, it is left to a panel of three persons to decide if the quality is suitable, and the decisive vote is left to a person selected by an impartial third person,

the designee of two persons selected each in turn by licensor and licensee. Clearly, Television Digest, Inc. has contractually impaired its own ability to set the standards for the publication to be put out under its own alleged mark. Such provision is directly antithetical to The Lanham Act requirements that the trademark owner control the nature and quality of all licensed uses of its mark.

14. "Consumer Electronics" is a term covering a multibillion dollar industry which has grown by leaps and bounds. Consumer electronics products are televisions, high fidelity systems, radios, tape recorders, calculators, electronics watches, car stereo tape systems, security devices for the home, in short all electronic products used by the consumer. The consumer electronics industry holds a semi-annual trade show called the "Consumer Electronics Show". The "Consumer Electronics Group" publishes an annual review of the consumer electronics field under the title "Consumer Electronics", copy of the last two issues being attached hereto as Exhibits A and B.

15. Other publications covering the consumer electronic trade include "Consumer Electronics Show Daily", originally published by Television Digest, Inc. and now published by Audio Times, Inc. Copies of these two publications are attached hereto as Exhibit C and D. Television Digest, Inc. also publishes a weekly entitled "Television Digest with Consumer Electronics" with the

section entitled "Consumer Electronics", copy of which is appended as Exhibit E. Fairchild Publications, Inc. uses the title "Consumer Electronics News" for a section in a weekly publication as shown by the attached copies of its publication and the copies of its application to register the term "Consumer Electronics News" in the United States Patent Office (Exhibit F hereto). St. Regis Publications, Inc., for more than a year, has published "CES Trade News Daily," CES being the industry abbreviation for Consumer Electronics Show which is also known as the CES. Copy of "CES Trade News Daily" is annexed as Exhibit G. Copies of correspondence exchanged between the undersigned and prior attorneys for CES Publishing Corp. in December, 1973 are annexed as Exhibits H and I. In response to plaintiff's then counsel's request that St. Regis Publications, Inc. cease using the name "CES Trade News Daily," the undersigned responded, under date of December 7, 1973, that the term "Consumer Electronics" is generic, being the necessary words to describe the publication and not capable of exclusive appropriation by any one company. CES Publication Corp. did not respond to said letter of undersigned nor did it proceed further as to said publication. Other publications have used Consumer Electronics as the title of sections as for example, the "Consumer Electronics section in the "1974 Electronic Market Data Book" Exhibit J hereto at pages 3 through 33. The publication involved in the instant litigation "Consumer Electronics Product News" is annexed as Exhibit K.

16. Although plaintiff alleges in its complaint at paragraph 10 that "For many years, the term 'Consumer Electronics' has been and continues to be used in the electronics trade to refer to the magazine 'Consumer Electronics Monthly'." , such allegation cannot be supported as a matter of law by reason of the many publications which have used and continue to use in their titles the words "Consumer Electronics" as shown at paragraph "15" and exhibits thereto.

17. Pending before the United States Patent and Trademark Office are proceedings to cancel the registration secured by Television Digest, Inc. for "Consumer Electronics" for a section of a news letter (Exhibit J is a copy of the publication covered by said registration.) A registration on the Supplemental Register carries no presumption in favor of distinctiveness. The ground for said cancellation is the generic nature of consumer electronics which, as applied to a publication in the field, perforce describes the content of the publication, or section thereof. Even promotional material put out by the putative trademark owner shows the generic nature of consumer electronics, Exhibit K hereto. Considerable testimony as to the generic nature of consumer electronics has already been adduced before the Patent and Trademark Office which is the tribunal expert in this area of the law. For this Court to undertake simultaneously the same inquiry, which is prerequisite to any right to relief, would constitute an unnecessary and uneconomic duplication, particularly for a Court already overburdened with important pressing matters.

HATRY AFFIDAVIT

A-38

WHEREFORE, your deponent respectfully submits that this action should be dismissed pursuant to Rule 12 (b) (6) and (7) of the Federal Rules of Civil Procedure, with costs to defendant.

Patricia Hatry
Patricia Hatry

Sworn to before me this

31st day of January, 1975.

Edward Mark

EDWARD MARK
Notary Public, State of New York
No. 41-1277103
Qualified in Queens County
Commission Expires March 30, 1976

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK----- x
CES PUBLISHING CORP., :

Plaintiff, :

75 Civ. 218
(K.T.D.)

-against- :

ST. REGIS PUBLICATIONS, INC., :

Defendant. :

AFFIDAVIT IN
OPPOSITION TO
MOTION TO DISMISS

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

RICHARD EKSTRACT, being duly sworn, states that:

1. I am president of plaintiff, CES Publishing Corp., and submit this affidavit on personal knowledge in opposition to the motion of defendant, St. Regis Publications, Inc., to dismiss this action for failure to join an indispensable party or to state a claim. Defendant's motion is returnable on the same day as our earlier motion for preliminary injunction to restrain defendant from commencing publication and distribution of a new monthly trade magazine entitled Consumer Electronics Product News, addressed to the same audience and treating the same subjects as our established trade magazine, Consumer Electronics Monthly.

2. Defendant's notice states that its motion to dismiss rests on two grounds. First, that plaintiff has failed to join an indispensable party, namely, the licensor from which plaintiff derives its right to use the mark. Second, that the trademark plaintiff seeks to protect, "Consumer Electronics", allegedly is "as a matter of law so descriptive, generic and necessary

for use to describe a consumer electronics trade paper or magazine that secondary meaning can never be acquired". In the affidavit of defendant's attorney, Patricia Matry, Esq., submitted in support of defendant's motion, and in defendant's memorandum of law, it is also suggested that because defendant has initiated a cancellation proceeding in the Patent Office, in which the issue of the distinctiveness or descriptiveness of the "Consumer Electronics" mark may also be involved, this action and the pending motions should be stayed. However, no request for a stay is contained in defendant's motion and my attorneys advise me that a stay, which would be unusual in any event, would be wholly inappropriate under the facts of this case. I will now address each of defendant's contentions in turn.

Plaintiff's Licensor is Not an
Indispensable Party

3. The basis of defendant's contention that plaintiff's licensor is an indispensable party is apparently mainly that our license agreement does not expressly authorize us to sue infringers of the "Consumer Electronics" mark. However, the fact is that our licensor, Television Digest, Inc., consulted with us about our bringing this action and approved our doing so. Our licensor's approval is confirmed in its letter to plaintiff which I have attached as an exhibit to this affidavit. Moreover, our attorneys have informed me that there is no question that plaintiff can obtain relief under Section 43(a) of the Lanham Act wholly apart from technical questions of trademark ownership or registration. Section 43(a) is discussed in detail in plaintiff's memorandum of law accompanying our motion for preliminary injunction and in our memorandum of law accompanying this affidavit.

Additional Facts Concerning Plaintiff's
Trademark License Relationship

4. Upon information and belief, plaintiff's licensor, Television Digest, Inc., originated and first used the mark

"Consumer Electronics" in 1960 (see Exhibit C to my affidavit in support of plaintiff's motion for preliminary injunction). Upon information and belief, Television Digest granted oral permission to the Electronic Industries Association to use the mark as part of the title of a trade show which the EIA commenced sponsoring in 1967. At the first such show, and thereafter until 1970, Television Digest published a magazine or paper entitled Consumer Electronics Show Daily, distributed daily for the duration of each show (see Exhibit C to Hatry affidavit). In 1970, Television Digest ceased publication of the Daily and granted a license for the publication thereof to plaintiff's affiliated company, Audio Times, Inc., which then took over the publication of Consumer Electronics Show Daily. The Daily continues to be published by Audio Times at the present time.

5. In 1972, Television Digest licensed the mark "Consumer Electronics" to Audio Times for a monthly magazine entitled Consumer Electronics Monthly. Audio Times assigned that license to plaintiff (see paragraph 8 of my affidavit in support of plaintiff's motion for preliminary injunction).

6. Ms. Hatry's affidavit sets forth various observations concerning plaintiff's license arrangements. While defendant's motion is not based upon any defect in such arrangements I think it will be useful if I set the facts straight:

(a) Ms. Hatry notes (§ 7) that our licensor has reserved to itself the right during the license period to publish a newsletter entitled "Consumer Electronics". The fact is that no such publication has ever been launched by our licensor.

(b) The Hatry affidavit also notes (§ 7) that our licensor reserved the right to use or

license the use of the name "Consumer Electronics Show Daily" for a publication relating to any electronics products trade shows other than the one to which plaintiff's affiliated company, Audio Times, Inc., addresses its publication of the same name. The fact is that our licensor has neither so used nor licensed the name.

(c) Ms. Hatry asserts (§ 11) that Audio Times, Inc., the original licensee of the name "Consumer Electronics" for a monthly magazine, had no power to assign its rights under the license, dated August 24, 1972, to plaintiff. But authority to do so is clearly implied in paragraph 8(b) of the license agreement between Televisor Digest and Audio Times (Exhibit D to Ekstract affidavit in support of plaintiff's motion for preliminary injunction). Under that provision the licensor may cancel the agreement if

"The licensee sells, assigns or transfers its rights under this agreement to anyone other than . . . a corporation, control of which is retained by Richard Ekstract . . ."

Plaintiff, the assignee of the August 24, 1972, license agreement, is wholly owned by me. And our licensor, well aware of the assignment, has never objected.

(d) Ms. Hatry suggests (§ 12) that a consequence of that assignment was that Audio Times, Inc., thereby divested itself of all rights to use the "Consumer Electronics Show Daily" name and that, therefore, use of that name by Audio

Times subsequent to the assignment destroyed any previously established trademark rights. The fact is that Audio Times' use of the "Consumer Electronics Show Daily" name is not pursuant to the August 24, 1972 license agreement but is pursuant to a separate and earlier agreement, dated October 7, 1970, between it and Television Digest. Audio Times has not assigned its rights under that earlier agreement to plaintiff and thus continues to be the authorized licensee of the name "Consumer Electronics Show Daily".

(e) The Hatry affidavit (¶ 13) refers to the provision in plaintiff's license agreement (¶ 7.(c)) that establishes a panel of three individuals to determine if the licensee's magazine meets the stated quality control measure -- "the highest professional journalistic standards". Contrary to Ms. Hatry's assertion, the standard is not so vague as to be indeterminate and is by its terms very demanding. But because the standard is broad and severe, judgment of whether plaintiff's efforts conform to it is to be made by an impartial panel. The provision in itself does not eliminate the required control by the licensor, since the panel functions just as a court would. In addition, the facts are that a member of licensor's staff is also on the staff of our magazine; we consult with other members of licensor's staff on a constant basis, at least weekly; and we invariably send our licensor a copy of each issue of our magazine immediately after printing. Our licensor has never complained of any lapse in the quality of our work.

The "Consumer Electronics" Mark is
Distinctive, Not Merely Descriptive

7. Defendant has in effect asked this Court to rule, strictly as a matter of law, that the term "Consumer Electronics" can never achieve trademark status. However, our attorneys advise me that we are entitled to a hearing on those facts which we believe will show that, among all those concerned with the retail market in electronics products for home and personal use, the term at issue now substantially signifies plaintiff's magazine, Consumer Electronics Monthly, and plaintiff as its publisher. My affidavit in support of our motion for preliminary injunction makes a prima facie showing that the term has acquired secondary significance warranting protection and we respectfully invite the Court's attention to that affidavit in considering this motion. There, we showed the large and growing circulation of our magazine (§ 5), our extensive promotion efforts (§ 10), and the success of our efforts, the common use of the term "Consumer Electronics" in the trade to mean us and our magazine (§ 11). We also showed the repeated instances of advertisers having been misled by the name of defendant's new publication, even before the first issue was out, into believing that we are its publisher (§§ 13-14). That is a further and important indication of the secondary significance which we have established for the term "Consumer Electronics".

8. Defendant's notice of motion states that the term "Consumer Electronics" is "so . . . necessary for use to describe a consumer electronics trade paper or magazine that secondary meaning can never be acquired." However, the fact is that there are at least six other trade papers or magazines solely or substantially concerned with the retail market in electronic products for home or personal use:

<u>Electronics Retailing</u> -	Monthly
<u>Mart</u> - (Containing section entitled "Personal Electronics")	Semi-monthly
<u>Merchandising Week</u> - (Containing section entitled "Home Electronics")	Weekly
<u>Sight & Sound Marketing</u> -	Monthly
<u>Dealerscope</u> -	Monthly
<u>Audio-Video International</u> -	Monthly

All of these papers and magazines compete directly with Consumer Electronics Monthly, and have not found it necessary to appropriate our name in order to do so.

9. The Hatry affidavit makes reference to the use of the term "Consumer Electronics" in other publications (¶¶ 14-15). However, two of the other publications are those of our affiliated company and our licensor, respectively:

(a) Consumer Electronics Show Daily is published by Audio Times, Inc., which like plaintiff is wholly owned by me, and distributed daily during the few days of each Electronic Industries Association semi-annual electronic products trade show in Chicago. Any secondary significance generated by that use can only enhance the meaning of the term "Consumer Electronics" as signifying my companies and our licensor as the single source of publications bearing that term.

(b) Plaintiff's licensor, Television Digest, Inc., publishes a weekly trade newsletter, Television Digest With Consumer Electronics, directed both to broadcasters and television-radio dealers. It contains a section entitled "Consumer Electronics". Here too, any secondary significance

generated by that use can only enhance the meaning of the term "Consumer Electronics" as signifying my companies and our licensor as a single source of publications bearing that term.

The other uses of the terms referred to in the Hatry affidavit are few and wholly non-competitive:

(i) The Electronic Industries Association publishes annually a small pamphlet entitled Consumer Electronics Annual Review and a statistical report entitled Electronic Market Data Book which carries a short section entitled "Consumer Electronics". Neither of these once-a-year publications carries any advertising nor competes with plaintiff's monthly publication. I do not believe that the term "Consumer Electronics" calls to anyone's mind either of these trade association publications.

(ii) The Fairchild publication, Electronic News, containing a section entitled "Consumer Electronic News", is addressed to manufacturers of electronic equipment, rather than the dealers who are plaintiff's audience.

Close Similarity Between Defendant's
New Publication and Plaintiff's
Established Magazine

10. The newly-published first issue of defendant's magazine is attached to the Hatry affidavit as Exhibit K. The most recent three issues of plaintiff's magazine are attached to the Ekstract affidavit in support of plaintiff's motion for preliminary injunction as Exhibit A. Certain close similarities are immediately apparent:

(a) Defendant's magazine is the same size as plaintiff's, with similar glossy stock for the cover;

(b) Defendant's magazine is divided into sections, just as plaintiff's magazine is, and many of the section headings of the two magazines are the same or very similar:

Consumer Electronics
Monthly

Television

Calculators

Tape Equipment

Radio

Compacts & Consoles

Consumer Electronics
Product News

Television

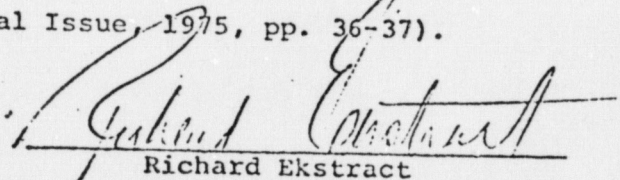
Calculators

Tape Recorders & Tape

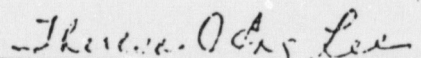
Radios

Consoles, Compacts & Phonos

(c) A prominent feature of plaintiff's magazine is "Roundtable" which sets forth the text of interviews with various electronics industry experts on particular subjects, with pictures of the individuals accompanying the text (see, e.g., Consumer Electronics Monthly, Jan. 1975 issue, pp. 39, 97). Defendant's first issue of its magazine carries a closely similar feature entitled "Points of View" (Consumer Electronics Product News, Inaugural Issue, 1975, pp. 36-37).


Richard Ekstract

Sworn to before me this
13th day of February, 1975.

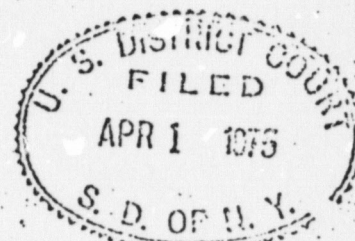

Notary Public

THEPESA A. ENG LEE
Notary Public, State of New York
No. 41-115575
Qualified in Queens County
Certificate Filed in New York County
Commission Expires March 30, 1975

copy

OPINION AND ORDER

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



CES PUBLISHING CORP., :
Plaintiff, :
-against- :
ST. REGIS PUBLICATIONS, INC., :
Defendant. :

OPINION AND ORDER (KTD)

75 Civ. 213

42152

APPEARANCES:

BOEHN, HAYS, SKLAR & HERZBERG, ESQS.
Attorneys for Plaintiff
By: Harry I. Rand, Esq.
Julian L. Weber, Esq.
Anthony S. Kaufman, Esq.
Of Counsel

DAVIS, GILBERT, LEVINE & SCHWARTZ, ESQS.
Attorneys for Defendant
By: Patricia Matry, Esq.
Howard P. Peck, Esq.
Of Counsel

KLVIN THOMAS DUFFY, D.J.

This case is predicated upon an alleged violation of the Lanham Trade-Mark Act, 15 U.S.C. 1125(a), with pendant jurisdiction being called upon to support an unfair competition claim under Section 369-d of the New York General Business Law.

OPINION AND ORDER

2.

Plaintiff publishes a trade magazine entitled "Consumer Electronics Monthly", which is directed to dealers in electronic products such as televisions, radios, phonographs, recorders, calculators, etc. The defendant has apparently brought out a new magazine, aimed at the same group which it calls "Consumer Electronics Products News", and which magazine the plaintiff claims infringes on its trademark and is "patently unfair, would lead to confusion among our readers and advertisers, and would gravely injure our business."

The term "Consumer Electronics" was registered on the Supplemental Register of Trademarks with coverage apparently limited to the "department of a trade news letter", the registration apparently having been issued to Television Digest, Inc. Thereafter, Television Digest, Inc. granted "an exclusive right" to use the term "Consumer Electronics" to Audio Times, Inc. Audio Times, Inc. is controlled by the same person who also controls the plaintiff herein. But neither Television Digest, Inc. or Audio Times, Inc. are parties to this action. The defendant has moved to dismiss this action for failure to join both as indispensable parties since the assignment of the right does not also give the right to enforce the trademark.

OPINION AND ORDER

3.

The defendant has also moved for this Court to delay any decision until pending proceedings to cancel the "Consumer Electronics" trademark are completed before the United States Patent and Trademark office.*/

It is unnecessary for me to resolve either of these questions for it is clear that "Consumer Electronics" is not and cannot be such a distinctive term as to become a trademark nor does the proof at this point show that there has been a secondary meaning built up by the term to identify the plaintiff's publication with the words "Consumer Electronics". It is true that the industry covering "consumer electronics" has grown by leaps and bounds in the last few years. Twice a year the industry takes a measure of its own growth by having a "trade fair". At such affairs there is distributed "Consumer Electronics Show Daily" and also "Television Digest with Consumer Electronics". The defendant indeed has published a gazette for more than a year entitled "CES Trade News Daily". (The abbreviation CES admittedly stands for "Consumer Electronics Show".)

*/ This has been suggested before in other matters but on checking I have discovered that this would unduly delay the resolution of the issues.

OPINION AND ORDER

4.

Under the entire circumstances it is clear to me that "consumer electronics" as applied to a trade publication is merely a generic name and that as such it is not the subject of a valid trademark excluding others from the use of the words "consumer electronics".

The motion by plaintiff for a preliminary injunction is therefore denied. The motions by defendant are similarly denied since the record is not clear as to the open questions of proof. No costs are to be awarded to either party.

It is so ordered.

K. Kevin Thomas Duffy
U. S. D. J.

Dated: New York, New York
April 1, 1975.

